



AN AASIS TRAINING GUIDE

The Procurement Process- Requisition through Invoice Verification



FILE HAS ALREADY
BEEN SAVED IN
NOTES VIEW



- **Course:** The Procurement Process-Requisition through Invoice Verification
- **Courseware Items:** Core Curriculum PPRII
- **Change Summary**
Changes made to this document are summarized in the following table

Date	Change	Reason For Change	Updated Version	Pages Effected
4/03/01	Courseware developed and published			
05/07/02	Entire courseware updated	Improvement in entire courseware package	2.0	Entire Courseware
11/5/02	Updated to Version 2.1	Added ZOPENREQ report to slides 109—113, Added version control sheet, renumbered slides	2.1	Entire Courseware
08/01/04	Entire courseware updated	Improvement in entire courseware package	2.2	Entire Courseware

O-3



TABLE OF CONTENTS

TITLE	DESCRIPTION	PAGE NUMBER
Course Overview	Dictionary of Procurement Terms	O-16
Trouble Shooting Procurement Documents	Trouble Shooting Procurement Documents	O-27
ME51N	Create a PR for Consumables or Services	1-4
Time Saving Tips	Time Saving Tips for Purchase Requisitions	1-23
ME51N	Create a PR with Reference to a Requisition	1-40
ME52N	Change a Purchase Requisition	1-51
ME54N	Approve a Purchase Requisition	1-75
ZW02	Create the Next Collective Number	2-4
ME41	Create a Request for Quotation	2-7
ME42	Create an Addendum on a Request for Quotation	2-31
ZWQO	Change RFQ's Related to a Collective Number	2-41
ME9A	Printing/Transmitting an RFQ	2-47
ME47	Maintaining a Quotation	2-57
ME49	Price Comparison List	2-65
ME31K	Create an Outline Agreement with Reference to an RFQ	2-83
ME31K	Create an Outline Agreement with Reference to a PR	2-91
ME31K	Create an Outline Agreement without any Reference Document	2-104
ME35K	Approve an Outline Agreement	2-118
ME32K	Change an Outline Agreement	2-123
ME21N	Create a Purchase Order with Reference to a PR	2-133
ME21N	Create a Purchase Order with Reference to an RFQ	2-161
ME21N	Create a Purchase Order with Reference to an Outline Agreement	2-175
ME21N	Create a Purchase Order without Reference to a Document	2-184
ME22N	Change a Purchase Order	2-195
ME9F	Print/Transmit a Purchase Order	2-204

O-4

[illegible]

AASIS Support Center, Patricia Orr
Revised 8-01-04



CLASS DESCRIPTION

Course Title: Procurement Process-Requisition through
Invoice Verification

Course Code: PPRII

Duration: 1½ days

Hours: 11 hours

Audience: Agency Procurement Technician
Agency Procurement Specialist
Agency Procurement Management

Prerequisites:

- Basic PC and Microsoft Windows skills
- AOBN - AASIS Overview and Basic Navigation

AASIS Support Center, Patricia Orr
Revised 8-01-04

O-6



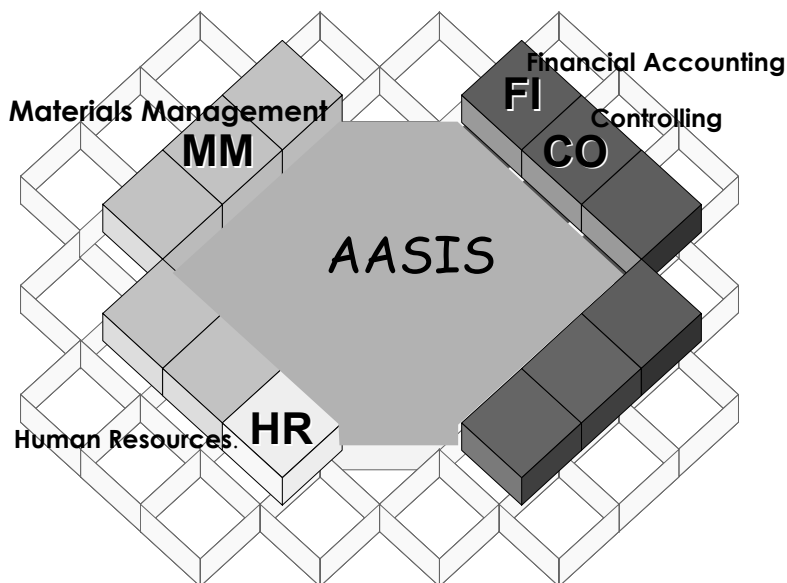
COURSE OBJECTIVES

- Participants will demonstrate an overall understanding of the Procurement processes in the Arkansas Administrative Statewide Information System (AASIS).

- Participants will successfully:
 - ✚ Create and Change Purchase Requisitions
 - ✚ Release (Approve) Purchase Requisitions
 - ✚ Create and Maintain a Request for Quotation
 - ✚ Create and Change Purchase Orders and Outline Agreements
 - ✚ Release (Approve) Purchase Orders and Outline Agreements
 - ✚ Post, Cancel and Return Delivery of Goods Receipts
 - ✚ Post an Invoice Verification



The AASIS Applications



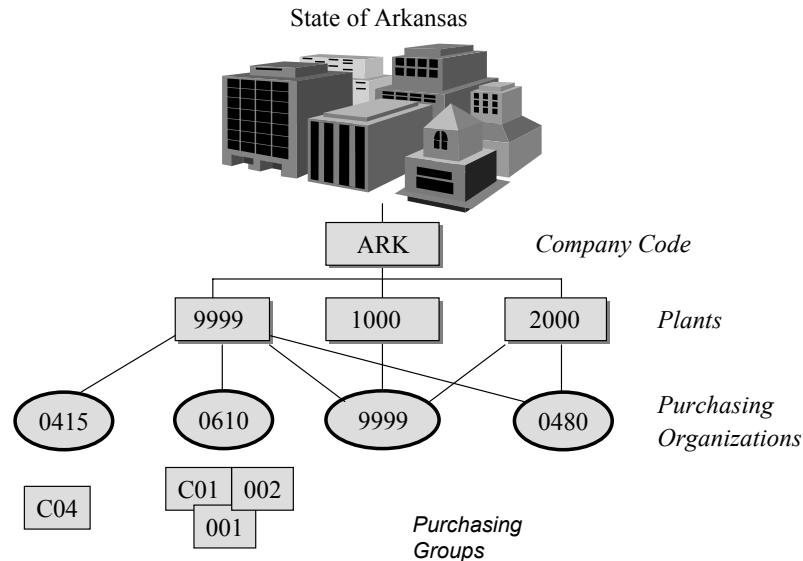
AASIS Support Center, Patricia Orr
Revised 8-01-04

O-8

The core applications for AASIS include:

- Financial Accounting (FI)
- Controlling (CO)
- **Materials Management (MM)**
- Human Resources (HR)

AASIS Procurement Structure



AASIS Support Center, Patricia Orr
Revised 8-01-04

O-9

Company Code is the organizational unit for which a complete self contained set of accounts can be drawn up for purposes of external financial reporting. There is only one Company Code in AASIS for the State of Arkansas.

Plants are places where either materials, goods, or services are provided. In AASIS, plants represent agency warehouses with inventoried stock. Plant 9999 is a “virtual” plant within the AASIS system that holds all the material and services that have been created in the system

Purchasing Organizations track procurement activity for a specified group of people. In AASIS, several purchasing organizations have been defined. Every agency will have their own purchasing organization (which is the identical code used by the agency for their Business Area). A reference purchasing organization, 9999, has also been defined to use for outline agreements to be created for use across all agencies (statewide contracts).

Purchasing Groups represent the Agency/State Procurement Specialists responsible for creating purchase orders and outline agreements for vendors in the AASIS system.

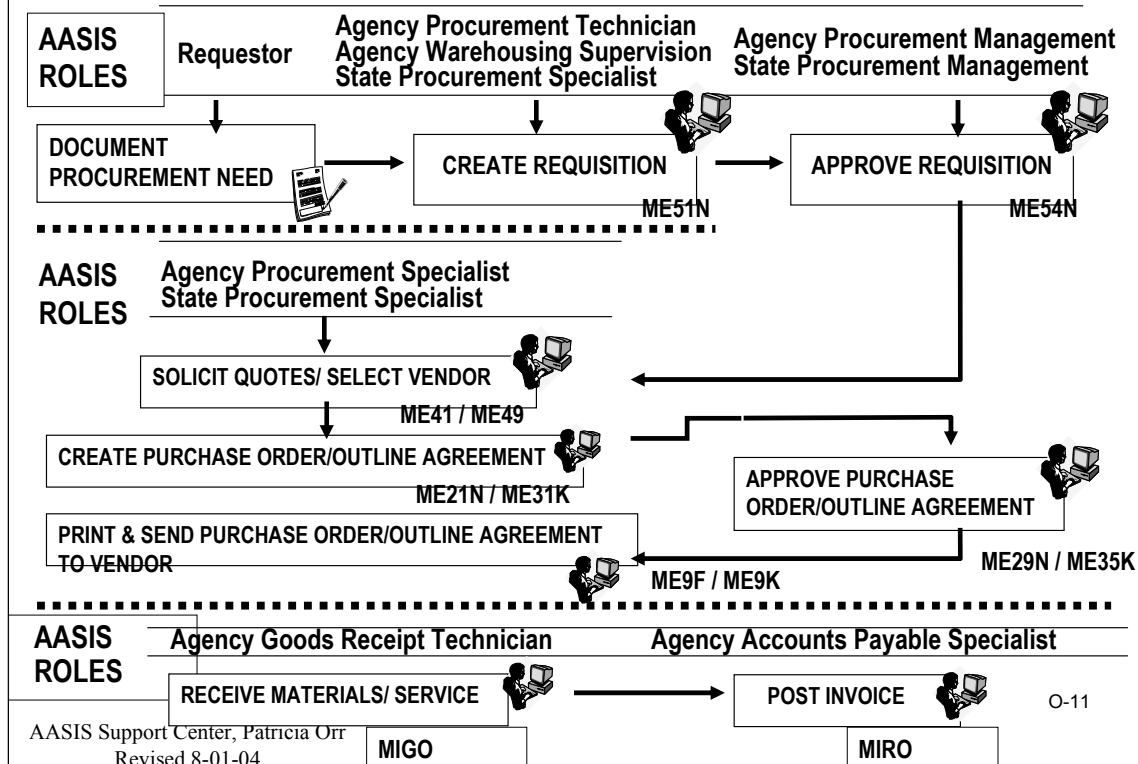


Materials Management

Business Process Flows



Materials Management Overview





Optional Tools to Create Requisition

AASIS ROLES

Requestor

State Procurement Specialist
Agency Procurement Technician
Agency Warehousing Supervision

PROCUREMENT
NEEDS FORM
COMPLETED

CREATE
REQUISITION

ME51N

ALL OR NONE OF THESE OPTIONS MAY BE USED TO CREATE A REQUISITION

DEVELOP MATERIALS/
SER VICE REQUIREMENTS

ME2M

DISPLAY CONTRACT/
OUTLINE AGREEMENT

ME33K

DISPLAY MATERIAL MASTER

MM03

DISPLAY PURCHASE
ORDER HISTORY

ME2M

CHECK CONTRACT/ OUTLINE
AGREEMENT FOR MATERIAL

ME3M

REVIEW PURCHASE ORDER
PRICE HISTORY

ME1P

REVIEW MANUFACTURER'S CATALOG

O-12



Assign Buyer to Requisition

AASIS ROLES



CREATE
REQUISITION

State Procurement Management
Agency Procurement Management



APPROVE
REQUISITION



ME54N



State Procurement Specialist
Agency Procurement Specialist



REVIEW LIST OF
REQUISITIONS IN QUEUE



ME57



ASSIGN REQUISITION TO
CORRECT BUYER



ME52N



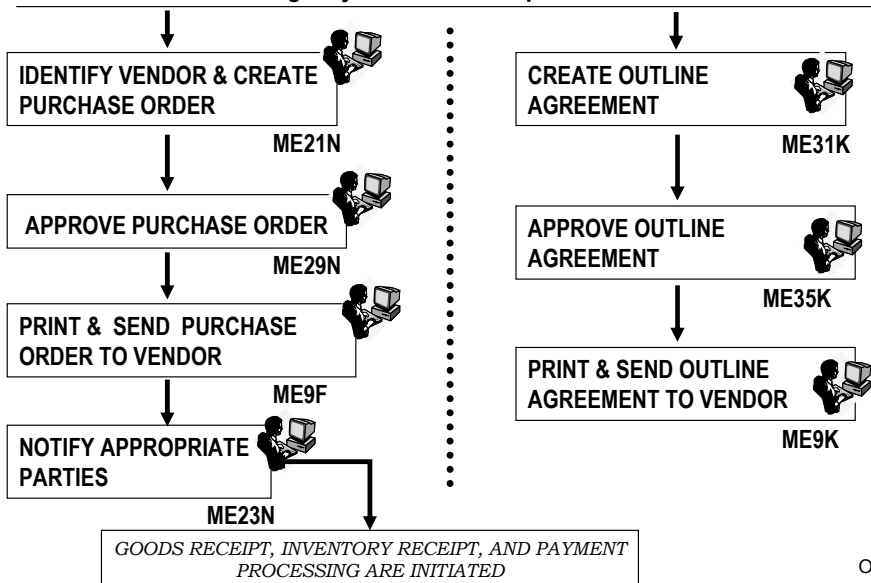
Create & Approve P.O or Outline Agreement

AASIS ROLES

PURCHASE ORDER

OUTLINE AGREEMENT

State Procurement Specialist
Agency Procurement Specialist





CERTIFICATION

Certification is optional at the completion of this course.

To receive your certification at the end of this course you will be required to:

1. Create a Purchase Requisition
2. Reference the PR into an RFQ
3. Reference the RFQ into an Outline Agreement
4. Do a Release PO on the Outline Agreement
5. Do a Goods Receipt referencing the PO
6. Do a MIRO referencing the PO



DICTIONARY OF PROCUREMENT TERMS

- Account Assignment Category
- Agency Procurement Management
- Agency Procurement Specialist

O-16

AASIS Support Center, Patricia Orr
Revised 8-01-04

Account Assignment Category

The AAC indicates how an item is to be expensed; that is, to an A (asset), K (cost center), F (internal order), P (project), or U (unknown). The AAC determines which financial elements will be required for entry on procurement documents (e.g. requisitions, purchase orders).

Agency Procurement Management

An APM is an employee who has the authority to release (approve) purchase requisitions, purchase orders, and outline agreements.

Agency Procurement Specialist

An APS is an employee who will purchase materials or services for their State agency. APS are assigned a "Purchasing Group" number in AASIS.



DICTIONARY OF PROCUREMENT TERMS (cont.)

- Agency Procurement Technician
- Delivery Completion Indicator
- Goods Receipt

O-17

AASIS Support Center, Patricia Orr
Revised 8-01-04

Agency Procurement Technician

The APT is any State employee who has the authority to create a requisition in AASIS.

Delivery Completion Indicator

This is a field value in the Goods Receipt process that, if selected, will indicate the delivery for a particular purchase order item is complete

Goods Receipt

Document that indicates the materials or services have been received.



DICTIONARY OF PROCUREMENT TERMS (cont.)

- Invoice Verification
- Movement Type

O-18

AASIS Support Center, Patricia Orr
Revised 8-01-04

Invoice Verification (MIRO)

The invoice verification transaction is performed once the materials or services are received and an invoice has been received by the agency.

Movement Type

A movement type is a 3 digit key that indicates the type of material movement occurring in the system. A movement type enables the AASIS system to find predefined rules determining how the accounts of the financial accounting system are posted. Movement types default for you based on the “activity” selected in the Goods Receipt transaction.



DICTIONARY OF PROCUREMENT TERMS (cont.)

- Outline Agreement

O-19

AASIS Support Center, Patricia Orr
Revised 8-01-04

Outline Agreement

An outline agreement is a long term arrangement with a vendor for an estimated quantity and for a certain period of time at a certain price

Outline agreements are created for agency specific or all State agencies.

Budget is not committed when an Outline Agreement is created. The commitment of budget occurs when a Release Purchase Order is created from an Outline Agreement by the Agency Procurement Specialist.

A Release Purchase Order referencing the Outline Agreement creates a legal request to deliver a material or service.



DICTIONARY OF PROCUREMENT TERMS (cont.)

- Over-Delivery Tolerance
- Purchase Order

O-20

AASIS Support Center, Patricia Orr
Revised 8-01-04

Over-Delivery Tolerance

Over-delivery tolerance is a percentage, based on the order quantity, up to which an over-delivery of the item will be accepted. The over-delivery tolerance will allow over-shipments by the vendor to be accepted into the AASIS system.

Purchase Order

The purchase order represents the formal and final approval of the transaction with the vendor. It specifies the vendor, the material or service, the quantity, the price and terms of payments.

Committed dollars against a budget, which were originally established by the purchase requisition, are updated in accordance with prices on the purchase order.



DICTIONARY OF PROCUREMENT TERMS (cont.)

- Purchase Requisition

O-21

AASIS Support Center, Patricia Orr
Revised 8-01-04

Purchase Requisition

A purchase requisition defines a need for a material/service. It has the following characteristics:

- It is an internal document; it is not used outside the State.
- It specifies the type of material/service and quantity to be procured from a vendor.
- When the purchase requisition has been created in AASIS, the appropriate funds are committed.
- The purchase requisition must be approved in AASIS before a purchase order can be issued.



DICTIONARY OF PROCUREMENT TERMS (cont.)

- Purchasing Group
- Purchasing Organization
- Release Code

O-22

AASIS Support Center, Patricia Orr
Revised 8-01-04

Purchasing Group

The purchasing group defines an individual Agency Procurement Specialist or State Procurement Specialist.

Purchasing Organization

The purchasing organization tracks procurement activity within one agency. It is an agency's business area number.

Release Code

The release code is a two-character identifier with which a person responsible for processing a document can release (approve) an item of a purchase requisition, a complete purchase requisition, or a complete external purchasing document.



DICTIONARY OF PROCUREMENT TERMS (cont.)

- Release Group

O-23

AASIS Support Center, Patricia Orr
Revised 8-01-04

Release Group

A Release Group is established for each purchasing document type, purchase requisition, purchase order, outline agreement, etc. It enables separate release codes and strategies to be defined depending on the document type. Each release group can contain one or more release strategies. In AASIS three release groups have been defined:

- **A1 – Outline Agreement**
- **P1 – Purchase Order**
- **RQ – Purchase Requisition**



DICTIONARY OF PROCUREMENT TERMS (cont.)

- Release Strategy
- Request for Quotation

O-24

AASIS Support Center, Patricia Orr
Revised 8-01-04

Release Strategy

Release Strategy defines the release codes with which a purchase requisition item, a complete purchase requisition, or a complete external purchasing document (Purchase Order, Outline Agreement) must be released (that is, approved, or given the “green light”) and in which sequence release must be effected using these codes.

Request for Quotation

A request for quotation is a request from an agency to a vendor to submit a price for the supply of goods or services.



DICTIONARY OF PROCUREMENT TERMS (cont.)

- Requestor
- Return Delivery
- State Procurement Specialist

O-25

AASIS Support Center, Patricia Orr
Revised 8-01-04

Requestor

The requestor is any state employee who identifies the need for materials or services and forwards the request to the Agency Procurement Technician.

Return Delivery

Return delivery is returning goods to an external supplier. A return delivery references a goods receipt.

State Procurement Specialist

The State procurement specialist procures on behalf of other State agencies. the SPS works in the Office of State Procurement and the Arkansas Building Authority.



DICTIONARY OF PROCUREMENT TERMS (cont.)

- Under-Delivery Tolerance
- Unrestricted Stock

O-26

AASIS Support Center, Patricia Orr
Revised 8-01-04

Under-Delivery Tolerance

Under-delivery tolerance is a percentage, based on the order quantity up to which an under-delivery of the item will be accepted. The under-delivery tolerance will also activate the Delivery Completed Indicator for the item in the purchase order, once the tolerance level has been reached, if the delivery completed indicator is maintained with “set automatically”.

Unrestricted Stock

Materials received and released for payment pending input of an invoice.



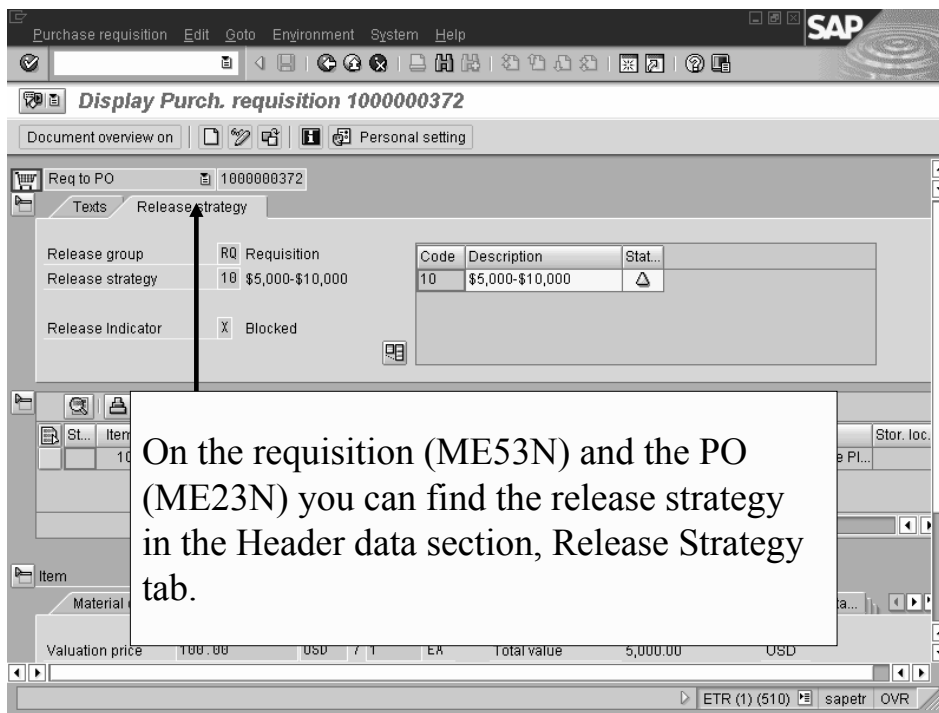
Trouble Shooting Procurement Documents

AASIS Support Center, Patricia Orr
Revised 8-01-04

O-27



Where Do I Look To See If A Document Has Been Released?



The screenshot shows the SAP 'Display Purch. requisition 1000000372' window. The 'Release strategy' tab is active, showing a table with release strategy details. A text box with an arrow points to the 'Release strategy' field in the table.

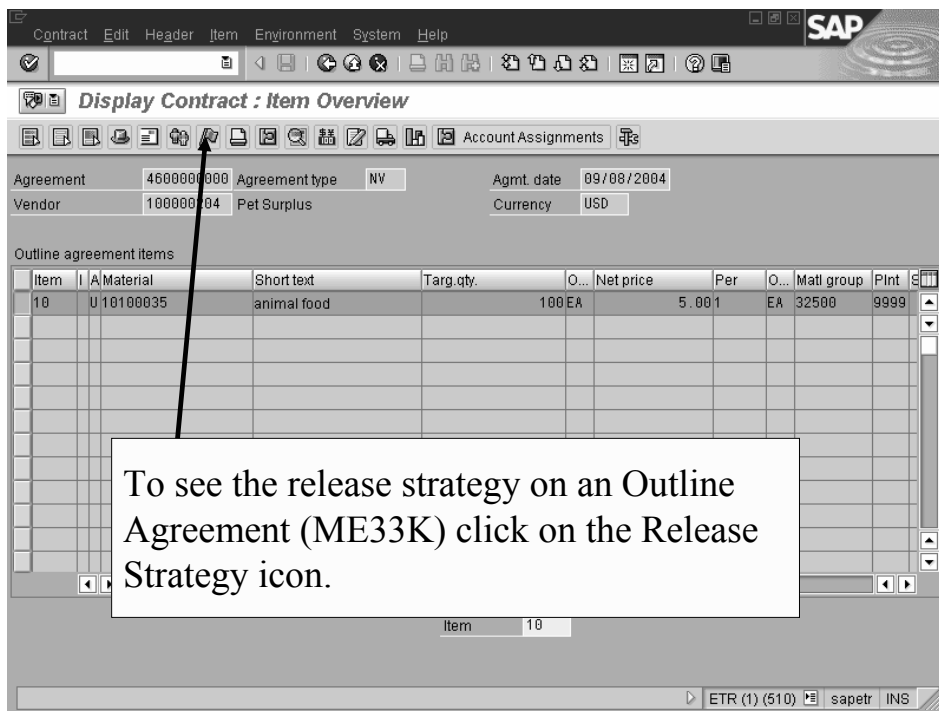
Release group	RQ Requisition	Code	Description	Stat..
Release strategy	10 \$5,000-\$10,000	10	\$5,000-\$10,000	⚠

Below the table, the 'Release Indicator' is set to 'Blocked'.

At the bottom of the window, the 'Valuation price' is 100.00 USD, and the 'Total value' is 5,000.00 USD.

On the requisition (ME53N) and the PO (ME23N) you can find the release strategy in the Header data section, Release Strategy tab.

O-29



Display Contract : Item Overview

Agreement 4600000000 Agreement type NV Agmt. date 09/08/2004
 Vendor 100000004 Pet Surplus Currency USD

Outline agreement items

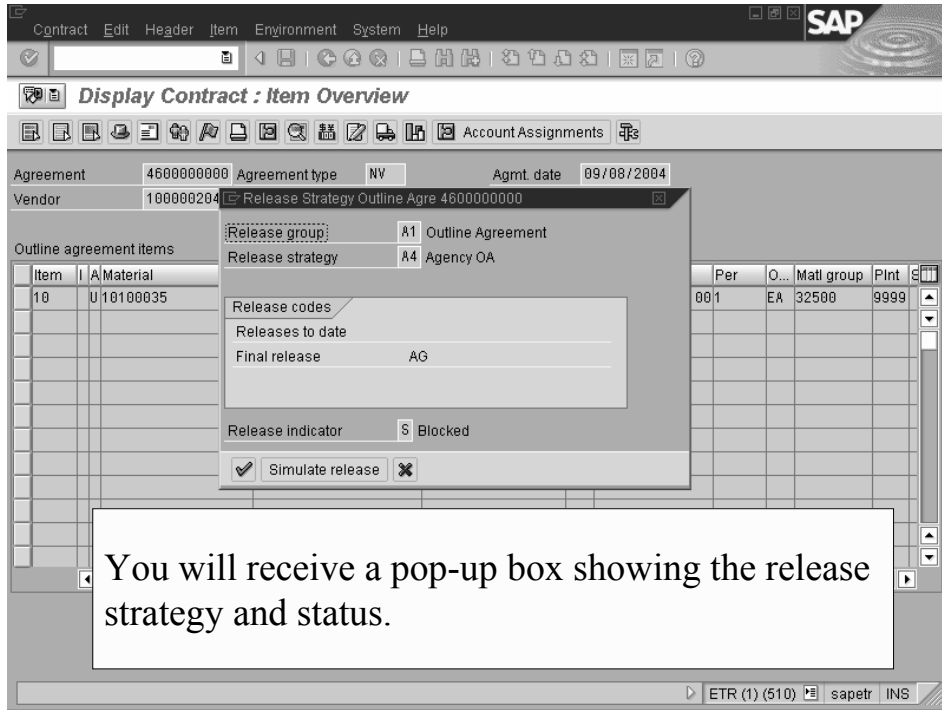
Item	Material	Short text	Targ. qty.	O...	Net price	Per	O...	Matl group	Plnt
10	U 10100035	animal food	100	EA	5.001		EA	32500	9999

Item 10

ETR (1) (510) sapetr INS

To see the release strategy on an Outline Agreement (ME33K) click on the Release Strategy icon.

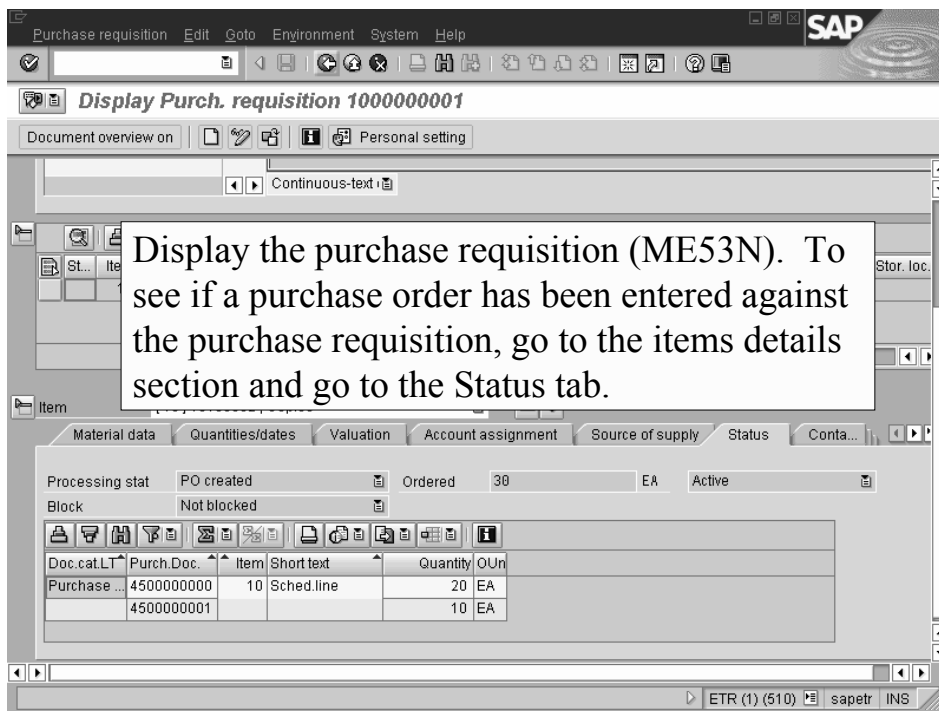
O-30



O-31



Where Do I Look To See If A Purchase Order Has Been Entered For A Requisition?



O-33



Where Do I Find My Purchase Order History?

Purchase order Edit Goto Environment System Help

Standard PO 4500000216 Created by Patricia N. Orr

Document overview on Print preview Messages Personal setting

Standard PO 4500000216 Vendor 100000203 Pet Smart Doc. date 04/28/2004

Header

S. Item A I M

10 K 10

Item 110

Once you have entered a goods receipt against a PO, it will show in the Item Detail section on the purchase order history tab. It will also show any invoices referencing the PO.

Delivery Invoice Conditions Account assignment Purchase order history Texts Delivery add...

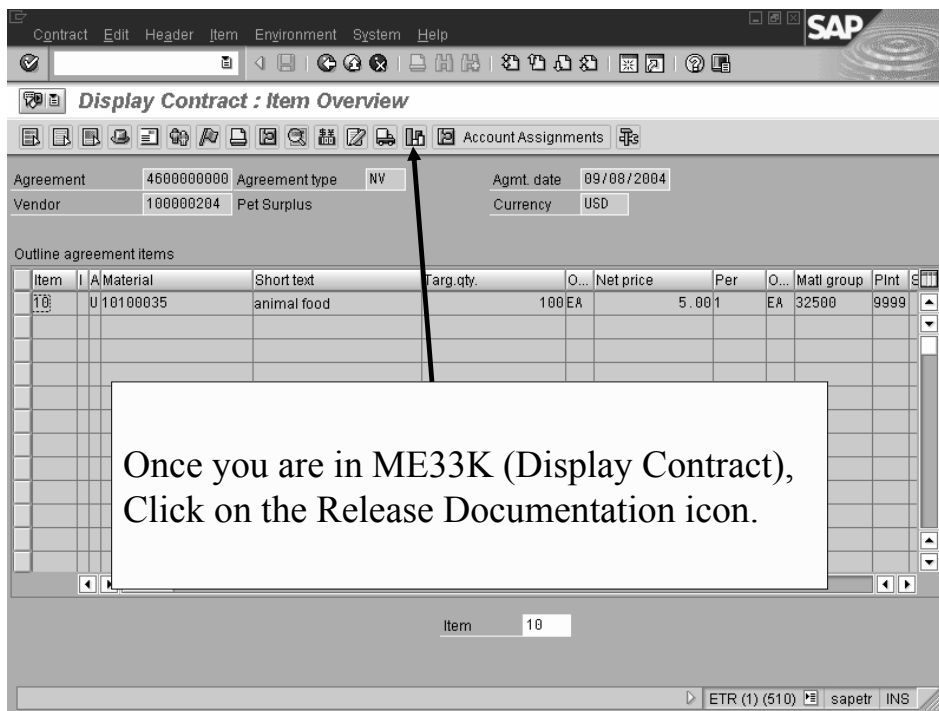
Text	MvT	Material Do...	Item	Posting Date	Σ	Quantity	Delivery cost quantity	OUn	Σ	Amt.in loc.cur.	L.cur	Σ	Q
GR	102	5000000242	1	04/28/2004		30	0	EA		300.00	USD		
GR	101	5000000234	1	04/28/2004		30	0	EA		300.00	USD		
GR	122	5000000233	1	04/28/2004		30	0	EA		300.00	USD		
GR	101	5000000224	1	04/28/2004		30	0	EA		300.00	USD		
Tr.ev. Goods receipt						0		EA		0.00	USD		

ETR (1) (510) sapetr INS

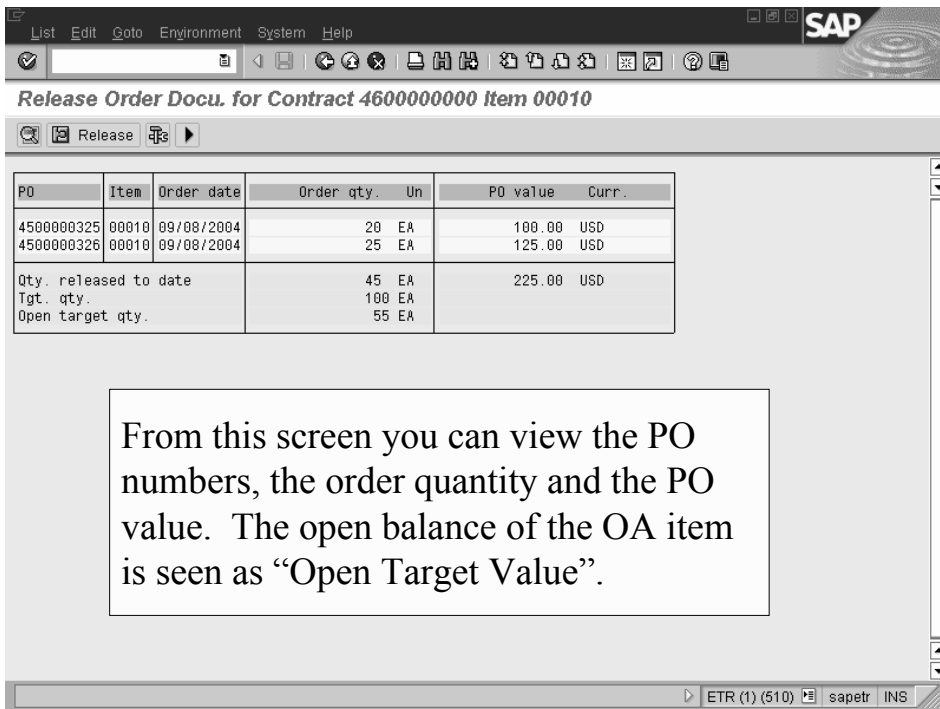
O-35



How Do I Find Out What Purchase Orders Are Tied To An Outline Agreement?



O-37



The screenshot shows the SAP 'Release Order Docu. for Contract 4600000000 Item 00010' screen. The interface includes a menu bar (List, Edit, Goto, Environment, System, Help) and a toolbar with various icons. Below the title bar, there is a 'Release' button and a right-pointing arrow. The main content area displays a table with the following data:

PO	Item	Order date	Order qty.	Un	PO value	Curr.
4500000325	00010	09/08/2004	20	EA	100.00	USD
4500000326	00010	09/08/2004	25	EA	125.00	USD
Qty. released to date			45	EA	225.00	USD
Tgt. qty.			100	EA		
Open target qty.			55	EA		

Below the table, a text box contains the following information:

From this screen you can view the PO numbers, the order quantity and the PO value. The open balance of the OA item is seen as “Open Target Value”.

The status bar at the bottom right shows 'ETR (1) (510)', 'sapetr', and 'INS'.

O-38